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SULLIVAN, J. J. *American corporations: the legal rules governing corporate organization and management, with forms and illustrations.* Second edition, revised and enlarged. (New York: Appleton. 1921. Pp. xiii, 463. \$2.75.)

The first edition of this book (1910) was reviewed in this journal in 1911 by Professor John H. Gray (AMERICAN ECONOMIC REVIEW, vol. I, Dec., 1911, pp. 841, 842). The present reviewer in examining the revised edition finds no reason to take exception to Professor Gray's general comments.

This is not primarily a book on economics, but rather a combined elementary text and reference book in the field of corporation law. The topics handled are arranged in an orderly manner. Their treatment is very brief. Usually the author states, with little or no critical comment, the particular legal fact or rule in question and then summarizes a court case or two to illustrate the point. These cases are selected, apparently, for their usefulness in illustrating the detailed legal points, not with any view to presenting the development of judicial doctrines as applied to important questions of public policy. There is no list of cases cited, an unfortunate omission in a book of this type.

There are two chapters (ch. 25, Merger of Corporate Charters, and ch. 26, The Control of One Corporation by Another) dealing with the "trust" problem. In chapter 26, an exception to the author's usual procedure, not a single court decision is summarized or even cited. The author thinks that "the problem of regulating them [the trusts] has been pretty well solved" (p. 297); and that "most of this [state anti-trust] legislation is experimental, and much of it is so crude as to do more harm than good" (p. 298). The Sherman Anti-Trust act is dismissed in less than one paragraph, nearly two thirds of which consists of verbatim quotation from the law. The final word on this subject is that "the Clayton Anti-Trust act of October 15, 1914, and other federal legislation also operate to prevent the formation of trusts" (p. 299).

STANLEY E. HOWARD.

Arnold's guide for New York business corporations. Seventh edition, revised and enlarged, with notes and forms. (New York: Baker, Voorhis & Co. 1921. Pp. xxxviii, 543.)

Labor and Labor Organizations

The Settlement of Wage Disputes. By HERBERT FEIS. (New York: The Macmillan Company. 1921. Pp. xv, 289. \$2.25.)

Professor Feis ventures upon the difficult task of outlining a uniform system of settling wage disputes in all important industries. The book falls into two parts, the first giving an account of the factors which govern wage levels in the present industrial situation, and the second setting forth directly a series of principles drawn from wage-disputes experience to serve as the basis of a unified policy for future guidance.

The problem is to elucidate or invent methods and principles in accordance with which the product of industry might be shared among the wage earners and the other participants with relative peace and

satisfaction. No policy will work successfully unless it accomplishes two ends: (1) It must represent convincingly the effort to divide the product of industry so as to satisfy the most widely held conceptions of justice in the industrial system. (2) It must contribute, wherever it is a factor, to such an adjustment of industrial relations as will command the voluntary support of all groups whose coöperation is necessary for the maintenance of industrial peace.

Certain conditions are stipulated as essential to the policy to be formulated. Private ownership and operation of industries are assumed, but the policy would not be unsuitable if some industries became publicly owned. Unqualified acceptance of collective bargaining is posited, as well as the necessity to recognize labor unions, and to give encouragement to some form of labor organization where none exists. The policy must aim to effect a distribution of the product of industry in which the return to the owners of accumulated capital does not exceed a point to be determined by considering the service of capital in production, the sacrifice involved in much accumulation, the need of assuring capital accumulation, and the evil effects of inequality of wealth. The policy must also give indirect encouragement to the growth of such industrial beliefs and institutions as will enable the wage earners to participate in the control over the conditions of production. These broad tests of policy represent a rather hopeful fusion of conservatism of established interest with the liberalism of desirable change.

The first basic principle calls for standard rates of wages in every important industry. Wage standardization would make possible a clear knowledge of the economic position of the various classes of wage earners, the accurate measurement of wage change, and simplicity and uniformity in the application of changes. The principle of a living wage to insure the subsistence of the worker and his family in health and comfort is upheld in the second place for use in determining wages for the least favorably placed groups of workers. The possible objections to standard rates and to minimum living wages are considered, but in the judgment of the author the existing evidence warrants the extension and application of these two principles.

With the aim of gradually evolving an ordered scheme of wage relationship, upheld by common consent, prevailing wage levels and differentials are to be accepted with provision for reconsideration of the differentials in the light of affirmed principles. In constructing such a scheme two central doctrines must be applied: first, the doctrine of the unity of the wage income and of the wage earners, which when applied means that the same wage should be paid throughout industry for work which requires the same human qualities and makes approximately the same demands upon the individual; secondly, the

doctrine of special reward, in practice, to mean that certain groups of wage earners should receive higher wages than other groups, because the work they perform is deemed to require considerably higher individual qualities or to make considerably greater demands upon the individuals engaged upon it. Practical and theoretical difficulties in the way of applying these doctrines are anticipated and in no wise minimized by the author.

In order to prevent changes in the distributive situation which may result from price movements, and which are undesirable, all wages according to the policy outlined should be promptly adjusted to movements in the general price level. The measures of price change should be a new index number based upon all the important commodities produced within the country with a weight of 50 per cent given to food, rent, and clothing. In order to bring about such a distributive outcome as will recommend the policy of wage settlement to the wage earners and to the community in general, it is proposed that some test should be devised to measure the share in the product of industry that is taking the form of profits. Whenever the general range of profits exceeds that profits return which is considered just and sound, the wages of all groups of workers should be increased in an attempt to transfer the extra profits to the wage earners. To apply such a profits test it would probably be necessary to enforce standardized accounting methods in all industries. It is contemplated to control profits only indirectly, however, through the forces of industrial competition, trade union activity, public opinion, and government regulation.

Finally, the policy would give encouragement to the organization of labor, recognizing existing trade unions and dealing with the representatives of groups of workers in all wage settlements. It would foster the establishment of joint councils and boards of employers and employees. The final power to render decisions, once a dispute has passed out of the hands of local bodies, would rest intact with a central authority which should presumably be politically responsible for enforcing the unified wage policy.

The author frankly avoids the whole question of the central political authority indispensable for putting any policy into effect, because its consideration would have complicated the inquiry. He does indicate that whatever policy is put into force will be administered by a government, with and by the consent and support of both the wage earners and the employers. Avoidance of this important phase of the problem makes one doubt whether such a comprehensive and forward-looking policy of wage determination is practicable and feasible for adoption, especially in view of the present post-war period of reaction against labor unions and of restoration of the dominant power of employers in matters of industrial relations. This doubt is

strengthened by a frequently observed note of idealism and hopeful optimism which the author's proposals sound.

The book draws much from accepted theory as to wage incomes, but makes its contribution that of bringing together in a unified scheme the essential principles with accompanying proposals for settling wage disputes constructively. The author is liberal in his philosophy, and sympathetic with labor. This work will be serviceable to all students of the labor problem, and should greatly aid those directly interested in the problems of industrial government. More than a dozen typographical errors could have been avoided. The word "data" is used incorrectly throughout as a singular form. The second paragraph on page 243 is unintelligible through inexcusably faulty proof-reading. With these minor corrections the book makes a distinctly favorable impression.

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NEW BOOKS

BROWNE, W. R., compiler. *What's what in the labor movement. A dictionary of labor affairs and labor terminology.* (New York: Huebsch. 1921. Pp. vii, 578. \$4.)

The whole range of the labor movement in its development and present conditions is here described by direct explanations and definitions. The social, economic, legal, and historical factors of modern industrialism are also brought out. The compiler has endeavored to provide a convenient, concise, and accurate reference book on the subject. One might question some statements; for example, in regard to Malthusianism it is hardly true to say that "it now occupies a prominent place in the economic discard." The redundant population and recurrent famines in India and China show the contrary. A rejection of the wage-fund theory does not involve a rejection of the population principle. To the checks on too rapid population educed by Malthus has been added that of standard of living and its influence on the birth rate.

GEORGE M. JANES.

BURNS, C. D. *Government and industry.* (New York: Oxford Univ. Press. 1921. Pp. 315.)

CATCHINGS, W. *Our common enterprises: a way out for labor and capital.* (Newton, Mass.: Pollak Foundation for Economic Research. 1922. Pp. 23.)

Reprinted from *Atlantic Monthly*, February, 1922.

CHENERY, W. L. *Industry and human welfare.* (New York: Macmillan. 1922. Pp. xii, 169. \$1.75.)

Contains chapters on The Pioneer Nation, The Rise of Industry, Wages in Industry, Regularity of Employment, The Hazards of Industry, and The Status of the Workers.

LAUCK, W. J. and WATTS, C. S. *The industrial code.* (New York: Funk & Wagnalls. 1922. \$4.)